GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3076
ANSWERED ON:10.08.2001
JOINT VENTURE COMPANIES
KAMAL NATH

Will the Minister of FINANCE be pleased to state:

(a) whether the Life Insurance Corporation propose to form two more joint venturecompanies with Corporation Bank tomanage investments in Government securities and corporate debts;

(b) if so, the details thereof;

(c) the total estimated investment by LIC of its premium collected during a year;

(d) whether the LIC and Corporation Bank also propose to start a merchant bank in joint venture; and

(e) if so, the details of the scheme?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL):

(a) and (b) The Life Insurance Corporation of India (LIC) has intimated that they arenot setting up any joint venture with Corporation Bank to manage its investments. Howeverthey are proposing to take a 33% stake in the Corp Bank Securities Ltd., which is at present a wholly owned subsidiary of the Corporation Bank, to assist in trading in Government securities.

(c) LIC has intimated that they had invested an amount of Rs. 41,110 crores during the year 2000-2001.

(d) and (e) LIC has intimated that the Memorandum of Understanding with Corporation Bank includes a feasibility study of acquiring or setting up a merchant bank jointly.